

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

USA ,

v.

DE KUN ZHENG ,

Case No: 2:22-CR-00231-JAM *SEALED*

OK/ED Case No.: 24-MJ-147-DES

SEALED

WARRANT FOR ARREST

TO: THE UNITED STATES MARSHAL
 and any Authorized United States Officer

USMS SACRAMENTO RCVD
 NOV 18 2022 AM10:26

YOU ARE HEREBY COMMANDED TO ARREST: De Kun Zheng

and bring him or her forthwith to the nearest United States magistrate judge to answer a(n)

Indictment

charging him or her with (*brief description of offense*)

Conspiracy to Manufacture Marijuana

in violation of Title 21 United States Code, Section(s) 841

V. Licea Chavez

Deputy Clerk

Name of Issuing Officer

Title of Issuing Officer

V. Licea Chavez

11/17/22 Sacramento, CA

Signature of Issuing Officer

Date and Location

Bail fixed at

NO BAIL

by Magistrate Judge Allison Claire

RETURN

This warrant was received and executed with the arrest of the above-named defendant

Date Received

Name and Title of Arresting Officer

Date of Arrest

Signature of Arresting Officer

1 PHILLIP A. TALBERT
 2 United States Attorney
 3 ROGER YANG
 4 Assistant United States Attorney
 5 501 I Street, Suite 10-100
 6 Sacramento, CA 95814
 7 Telephone: (916) 554-2700
 8 Facsimile: (916) 554-2900

9
 10 Attorneys for Plaintiff
 11 United States of America

FILED
 Nov 17, 2022
 CLERK, U.S. DISTRICT COURT
 EASTERN DISTRICT OF CALIFORNIA

SEALLED

12
 13 IN THE UNITED STATES DISTRICT COURT
 14 EASTERN DISTRICT OF CALIFORNIA

15 UNITED STATES OF AMERICA,

16 Plaintiff,

17 v.

18 DE KUN ZHENG,
 19 YU ZHENG,
 20 DE MING ZHENG,
 21 YONG KUAI ZHENG and
 22 SHENG YEN,

23 Defendants.

24 CASE NO. 2:22-cr-0231 JAM

25 21 U.S.C. §§ 846, 841(a)(1) – Conspiracy to
 26 Manufacture Marijuana (2 counts); 18 U.S.C. §
 27 1956(h) – Conspiracy to Launder Money; 18 U.S.C.
 28 § 1956(a)(2)(A) – International Money Laundering
 (2 counts); 18 U.S.C. § 1956(a)(1)(B)(i) –
 Concealment Money Laundering (2 counts); 18
 U.S.C. § 1956(a)(1)(B)(ii) – Laundering of Proceeds;
 31 U.S.C. § 5342(a)(2) – Causing the filing of a
 False CTR (2 counts); 31 U.S.C. § 5324(a)(3) –
 Structuring; 21 U.S.C. § 853(a), 18 U.S.C. §
 982(a)(1) and 31 U.S.C. § 5317(c)(1) – Criminal
 Forfeiture

30 INDICTMENT

31 COUNT ONE: [21 U.S.C. §§ 841(a)(1) and 846 – Conspiracy to Manufacture Marijuana]

32 The Grand Jury charges: T H A T

33 DE KUN ZHENG,
 34 YU ZHENG,
 35 DE MING ZHENG and
 36 YONG KUAI ZHENG,

37 defendants herein, between on or about June 29, 2017, and continuing through on or about July 8, 2019,
 38 in the Counties of Butte, Yuba, and Calaveras, State and Eastern District of California, and elsewhere,
 39 did knowingly and intentionally conspire and agree with each other and with other persons known and
 40 unknown to the Grand Jury, to manufacture at least 100 marijuana plants, a Schedule I Controlled

1 foreign commerce, which transactions involved the proceeds of a specified unlawful activity,
 2 that is violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to
 3 Manufacture Marijuana and Manufacture of Marijuana, knowing that the property involved
 4 in the financial transactions represented the proceeds of some form of unlawful activity, and
 5 that while conducting and attempting to conduct such financial transactions, knew that the
 6 transactions were designed in whole and in part to avoid a transaction reporting requirement
 7 under State and Federal law, in violation of Title 18, United States Code, Section
 8 1956(a)(1)(B)(ii); and

9 d. to knowingly engage and attempt to engage, in monetary transactions by, through or to a
 10 financial institution, affecting interstate and foreign commerce, in criminally derived
 11 property of a value greater than \$10,000, such property having been derived from specified
 12 unlawful activity, that is, violations of Title 21, United States Code, Sections 841 and 846,
 13 Conspiracy to Manufacture Marijuana and Manufacture of Marijuana, in violation of Title
 14 18, United States Code, Section 1957.

15 **MANNER AND MEANS**

16 In furtherance of the conspiracy to launder money, DE KUN ZHENG, YU ZHENG, and
 17 SHENG YEN employed, among others, the following manner and means:

18 2. DE KUN ZHENG, YU ZHENG, and SHENG YEN conspired to transport money from
 19 China into the United States to promote the specified unlawful activity of violations of Title 21, United
 20 States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of
 21 Marijuana, by purchasing a house within which they conspired to grow marijuana.

22 3. DE KUN ZHENG, YU ZHENG, and SHENG YEN conspired to conceal the source of
 23 funds used to buy a house with proceeds of specified unlawful activity, that is violations of Title 21,
 24 United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of
 25 Marijuana, by engaging in financial transactions designed in whole and in part to conceal and disguise
 26 the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and
 27 while conducting and attempting to conduct such financial transactions, they knew the property involved
 28 represented proceeds of the manufacture of marijuana.

1 COUNTS THREE AND FOUR: [18 U.S.C. § 1956(a)(2)(A) – Promotional Money Laundering]

2 The Grand Jury further charges: T H A T

3 YU ZHENG,

4 defendant herein, on or about November 17, 2017, in the County of Butte, State and Eastern District of
5 California, and elsewhere, did transport, transmit, and transfer funds and aid and abet others to transport,
6 transmit, and transfer funds to a place in the United States from and through a place outside the United
7 States, with the intent to promote the carrying on of specified unlawful activity, that is violations of Title
8 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture
9 of Marijuana, as follows:

Count	Date	Amount	Description
3	November 17, 2017	\$39,980.00	Wire transfer from China Minsheng Banking Corp. LTD account number XXXX6102 into YU ZHENG's Bank of America account number XXXX8054.
4	November 17, 2017	\$39,980.00	Wire transfer from China Minsheng Banking Corp. LTD account number XX6110 into First National Bank of Pennsylvania account number XXXX4667 in the name of YU ZHENG's brother.

16 All in violation of Title 18, United States Code, Sections 2 and 1956(a)(2)(A).

17 COUNTS FIVE AND SIX: [18 U.S.C. § 1956(a)(1)(B)(i) – Concealment Money Laundering]

18 The Grand Jury further charges: T H A T

19 DE KUN ZHENG and
20 SHENG YEN,21 defendants herein, on or about the dates set forth below, in the County of Sacramento, State and Eastern
22 District of California, and elsewhere did knowingly conduct and attempt to conduct financial
23 transactions affecting interstate commerce, which involved the proceeds a specified unlawful activity,
24 that is violations of Title 21, United States Code, Sections 841 and 846, Conspiracy to Manufacture
25 Marijuana and Manufacture of Marijuana, knowing that the transactions were designed in whole and in
26 part to conceal and disguise the nature, the location, the source, the ownership and the control of the
27 proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such

1 Federal Regulations, Sections 1010.100, 1010.311 and 1010.313; and Title 18, United States Code,
2 Section 2.

3 COUNT NINE: [18 U.S.C. § 1956(a)(1)(B)(ii) – Money Laundering to Avoid Transaction
4 Reporting Requirement]

5 The Grand Jury further charges: T H A T

6 YU ZHENG,

7 defendant herein, from on or about March 5, 2018, through on or about March 6, 2018, in the County of
8 Butte, State and Eastern District of California and elsewhere, did knowingly conduct and attempt to
9 conduct a series of financial transactions affecting interstate commerce, to wit the structured deposit of
10 \$17,500.00 in United States currency into Bank of America account number XX8054 in the name of YU
11 ZHENG, which involved the proceeds of a specified unlawful activity, namely violations of Title 21,
12 United States Code, Sections 841 and 846, Conspiracy to Manufacture Marijuana and Manufacture of
13 Marijuana, knowing that the transactions were designed in whole and in part to avoid a transaction
14 reporting requirement under State and Federal law, and that while conducting and attempting to conduct
15 such financial transaction knew that the property involved in the financial transaction represented the
16 proceeds of some form of unlawful activity, all in violation of Title 18, United States Code, Sections 2
17 and 1956(a)(1)(B)(ii).

18 COUNT TEN: [31 U.S.C. § 5324(a)(3) and (d)(2) – Structuring Currency Transactions]

19 The Grand Jury further charges: T H A T

20 YU ZHENG,

21 defendant herein, from on or about March 5, 2018, through on or about March 6, 2018, in the Counties
22 of Butte and Yuba, State and Eastern District of California, and elsewhere, did knowingly and for the
23 purpose of evading the reporting requirements of Title 31, United States Code, Sections 5313(a) and
24 5325, and the regulations promulgated thereunder, structure the following transactions with a domestic
25 financial institution, to wit: cash deposits into his Bank of America account #XXXX8054, and did so
26 while violating another law of the United States:
27

1 the United States, pursuant to 18 U.S.C. § 982(a)(1), all property, real or personal, involved in such
2 violations, and any property traceable to such property, including but not limited to the following:

3 a. A sum of money equal to the amount of money involved in the offenses, for
4 which defendants are convicted.

5 3. Upon conviction of the offense alleged in Counts Seven, Eight and Ten of this
6 Indictment, defendants YU ZHENG and SHENG YEN shall forfeit to the United States pursuant to 31
7 U.S.C. § 5317(c)(1), all property, real and personal, involved in the offense and any property traceable
8 to such property, including but not limited to the following:

9 a. A sum of money equal to the total amount of money involved in such offense, for
10 which the defendant is convicted.

11 4. If any property subject to forfeiture, as a result of the offenses alleged in Counts One
12 through Eleven of this Indictment, for which the defendants are convicted:

13 a. cannot be located upon the exercise of due diligence;
14 b. has been transferred or sold to, or deposited with, a third party;
15 c. has been placed beyond the jurisdiction of the court;
16 d. has been substantially diminished in value; or
17 e. has been commingled with other property which cannot be divided without
18 difficulty;

19 it is the intent of the United States, pursuant to 21 U.S.C. § 853(a), 18 U.S.C. § 982(a)(1) and 31 U.S.C.
20 § 5317(c)(1), to seek forfeiture of any other property of defendants, up to the value of the property
21 subject to forfeiture.

22 A TRUE BILL.

23 **/s/ Signature on file w/AUSA**

24

FOREPERSON



25 PHILLIP A. TALBERT
26 United States Attorney

27

28 INDICTMENT

United States v. De Kun Zheng et. al.
Penalties for Indictment

Defendants

DE KUN ZHENG,
YU ZHENG,
DE MING ZHENG,
YONG KUAI ZHENG, and
SHENG YEN,

COUNT 1: **DE KUN ZHENG, DE MING ZHENG, YONG KUAI ZHENG, and YU ZHENG**

VIOLATION: 21 U.S.C. §§ 846, 841(a)(1) – Conspiracy to Manufacture At Least 100 Plants of Marijuana

PENALTIES: Mandatory minimum of 5 years in prison and a maximum of up to 40 years in prison; or Fine of up to \$5,000,000; or both fine and imprisonment. Supervised release of at least 4 years up to life

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 2: **YU ZHENG, DE KUN ZHENG, and SHENG YEN**

VIOLATION: 18 U.S.C. § 1956(h) – Conspiracy to Commit Money Laundering

PENALTIES: Up to 20 years in prison; or Fine of up to \$500,000 or twice the value of the monetary instrument or funds involved, whichever is greater; or both fine and imprisonment. Supervised release of 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 3-4: **YU ZHENG**

VIOLATION: 18 U.S.C. § 1956(a)(2)(A) – Promotional Money Laundering

PENALTIES: Up to 20 years in prison; or Fine of up to \$500,000 or twice the value of the monetary instrument or funds involved, whichever is greater; or both fine and imprisonment. Supervised release of 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 5-6: **SHENG YEN and DE KUN ZHENG**

VIOLATION: 18 U.S.C. § 1956(a)(1)(B)(i) – Concealment Money Laundering

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

FORFEITURE ALLEGATION: all Defendants

VIOLATION: 21 U.S.C. § 853(a), 18 U.S.C. § 982(a)(1) and 31 U.S.C. § 5317(c)(1) –
Criminal Forfeiture

PENALTIES: As stated in the charging document